

ERRATUM

State pension contributions and fiscal stress – ERRATUM

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Please note the asterisks in [Tables 2, 4](#) and [A1](#) are incorrect. The Tables should have appeared as follows:

Table 2. *Pension contribution ratios and expected contribution cuts*

	Pension Contribution Ratios				Expected Contribution Cuts	
Unexpected Deficit (\$pc)	-0.064***	(0.023)	-0.052**	(0.024)	-0.0073*	(0.004)
Unexpected Surplus (\$pc)	0.009	(0.016)	-0.002	(0.015)	-0.001	(0.001)
Lagged End-of-Year Balance (\$pc)	0.010	(0.008)	0.003	(0.005)	0.002*	(0.001)
Public Employees	0.7	(1.2)	0.5	(2.8)	0.01	(0.18)
Public Union Members	-2.3	(2.9)	9.1	(5.7)	-0.12	(0.40)
Lagged Funding Ratio	0.92	(0.14)	0.18	(0.13)		
Tax Limit	-0.1	(4.5)	0.3	(3.6)	-0.3	(0.3)
Constant	82.4***	(15.0)	49.2**	(20.9)	-0.6	(1.1)
State Fixed Effects	NO		YES		YES	
R-squared	0.038		0.452		0.153	
Observations	507		507		952	

Notes: Significance *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table 4. Robustness checks: unexpected deficits and state pension contribution ratios

	Fractional Logit		Annual Trend		1992–2009	
Unexpected Deficit (\$pc)	−0.038 ^{***}	(0.012)	−0.050 [*]	(0.025)	−0.043 ^{**}	(0.019)
Unexpected Surplus (\$pc)	−0.008	(0.014)	−0.013	(0.015)	0.0003	(0.014)
Lagged End-of-Year Balance (\$pc)	0.001	(0.005)	0.016 [*]	(0.008)	0.002	(0.005)
Public Employees	0.2	(2.2)	0.5	(2.6)	0.4	(2.4)
Public Union Members	7.4	(4.9)	6.3	(5.8)	9.7 ^{**}	(4.8)
Lagged Funding Ratio	0.12	(0.12)	0.21	(0.14)	0.24 [*]	(0.14)
Tax Limit	1.8	(3.1)	5.9	(3.7)	−0.7	(4.3)
Annual Trend			−1.0 ^{**}	(0.4)		
Constant			58.4 ^{***}	(20.2)	44.1 ^{**}	(20.0)
State Fixed Effects	YES		YES		YES	
R-squared			0.470		0.420	
Log pseudolikelihood	−113.6					
Observations	507		507		601	

Notes: Significance ^{***} $p < 0.01$, ^{**} $p < 0.05$, ^{*} $p < 0.10$.

Table A1. Year fixed effects: unexpected deficits and state pension contribution ratios

	Year Fixed Effects		Year FE & Budget Balance Strength	
Unexpected Deficit (\$pc)	−0.049 ^{**}	(0.024)	−0.047 ^{**}	(0.023)
Unexpected Surplus (\$pc)	0.001	(0.018)	−0.005	(0.018)
Lagged End-of-Year Balance (\$pc)	0.012	(0.008)	0.015 [*]	(0.008)
Public Employees	1.8 [*]	(1.0)	2.1 ^{**}	(1.0)
Public Union Members	−2.1 ^{**}	(1.1)	−3.0 ^{***}	(1.2)
Lagged Funding Ratio	0.11	(0.08)	0.13 [*]	(0.08)
Tax Limit	−0.2	(3.0)	−0.8	(3.0)
Balanced Budget Strength			−1.1 [*]	(0.58)
Constant	72.3 ^{***}	(7.7)	79.8 ^{***}	(8.3)
Year Fixed Effects	YES		YES	
R-squared overall	0.033		0.031	
Observations	495		495	

Notes: Significance ^{***} $p < 0.01$, ^{**} $p < 0.05$, ^{*} $p < 0.10$.

Reference

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